MULTIMEDIA UNIVERSITY

STUDENT IDENTIFICATION NO

MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 2, 2017/2018

BMR3074 – INTERNATIONAL MARKETING

(All sections / Groups)

07 MARCH 2018
9.00 – 11.00 a.m.
(2 Hours)

INSTRUCTIONS TO STUDENT

1. This question paper consists of 4 printed pages (including cover page) with 5 Questions only.

2. Attempt **ALL** questions in Section A. Attempt any **THREE (3)** out of **FOUR (4)** questions in Section B. The distribution of the marks for each question is given.

3. Please write all your answers in the Answer Booklet.

Section A-Answer ALL questions (40 marks)

It is tough to attribute the origin of doughnuts of any particular region, and in that it stayed true to the notion of the American melting pot. However, it is said that the first doughnut came to the United States with the Dutch settlers under the name *olykoeks* or 'oily cakes.' Since then, the proletariat snack has come a long way and if the makers were to see doughnuts being sold in countries throughout the world today, they would be amazed at how a simple treat can morph from culture to culture and over continents, in some instances becoming something Westerners could not readily recognize. The global market entry experiences of Dunkin' Donuts, an American doughnut chain, offer us good insights into how the American-style grub had to be tweaked to suit different palates as they ventured into Asian markets.

Dunkin' Donuts started off as a doughnut shop in Quincy, Massachusetts in 1950. It had by the end of 2012, 10,500 Dunkin' Donuts stores worldwide, including more than 7,000 franchised restaurants in 36 United States, in addition to more than 3,000 international shops in 30 countries. However, all these expansions have not come easy. In the early 2000s, it opened several stores in Beijing but soon had to retreat from the Chinese market. According to one source, the American version of doughnuts is like bread to the Chinese, which could not justify a higher price. It is also too sweet for the Chinese palate. However, with the help of a Taiwanese franchise partner, Dunkin' Donuts is back in China, opening seven stores in Shanghai, in 2010.

The re-entry was made possible by tapping the expertise of the Taiwanese partner which was familiar with Chinese tastes. Upon its advice, Dunkin' Donuts adapted its product and communication strategies for its re-entry. It used rice flour instead of wheat flour to give the doughnuts a chewy texture much like the sticky rice desserts that many Chinese preferred, and the sugar level was also lowered.

Knowing the Chinese loved fillings, the doughnuts sold in the Chinese stores have red bean paste, are stuffed with vanilla pudding, some sliced in half to add a wedge of cheesecake, while some have toppings such as ham and cheese, red spaghetti sauce, salmon, spicy beef and seaweed flakes. Besides customizing the taste, the doughnuts are also shaped differently, for example, some could be shaped like pearl bracelets, displayed in showcases to look like deep-fried jewellery, and known by a different name-*Tian tian quan* or 'sweet sweet rings.' According to the Taiwanese partner, Dunkin' Donuts is thus, marketed as something special, as a new form of enjoyment rather than just doughnuts.

It was a different story for Dunkin' Donuts' entry into India in 2012, where it offered the same American version of its doughnuts. Pursuing a dual extension strategy, Dunkin' Donuts targeted the higher-spending urban Indians who were familiar with western snacks for its entry into the Indian market.

Source: Keegan W.J, Green M.C., *Global Marketing*, Global Edition, 8th edition, 2015, Pearson, England. (Page 341)

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Question 1

(a) State **TWO (2)** reasons why Dunkin' Donuts had to close its stores in China in the early 2000's.

(10 marks)

(b) (i) Define dual adoption strategy.

(6 marks)

(ii) Explain the implementation of product adoption by Dunkin' Donuts.

(3 marks)

(iii) Explain the implementation of promotion adoption by Dunkin' Donuts.

(6 marks)

(c) Explain the concepts behind the **dual extension strategy** which was used by Dunkin' Donuts in India.

(15 marks)

(Total: 40 marks)

Section B-Answer THREE out of FOUR questions (60 marks)

Question 1

(a) What is the different between Capitalism and Socialism philosophy?

(5 marks)

(b) Explain **THREE (3)** types of preferential trade agreement.

(15 marks)

(Total: 20 marks)

Continued...

Question 2

(a) Explain **FOUR (4)** market growth strategies.

(10 marks)

(b) Explain the meaning of foreign consumer culture positioning with an example.

(10 marks)

(Total: 20 marks)

Question 3

(a) What is the different between single-column tariff and two-column tariff.

(4 marks)

(b) Discuss **FOUR (4)** market entry expansion strategies that a global retailer can use when expanding outside the home country.

(16 marks)

(Total: 20 marks)

Question 4

Explains **EIGHT (8)** creative execution techniques relevant to the globalization intention.

(20 marks)

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